

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

M/s. Moser Baer Energy Limited – Establishment of Crystalline based solar Cells, thin film solar cells etc. by M/s. Moser Baer Energy Limited, at Fab city SEZ – Allotment of land – Non implementation of the project – MoU and extension of incentives/concessions – cancelled – orders – issued

INDUSTRIES & COMMERCE (INF) DEPARTMENT

G.O.Rt.No. 234

Dated:29-04-2011.

Read the following:

1. MoU, dt. 16.4.2008 between the Government of Andhra Pradesh and M/s. Moser Baer Infrastructure Developers Limited.
2. G.O.Ms.No.336, Industries & Commerce (INF) Department, dt. 23.12.08.
3. From the CEO, Fab city SPV (I) Pvt. Ltd., Lr.No.4275/PM(IPU)/APIIC/ 2007, dt. 1.1.09
4. From the Sr.Vice President (Commercial), M/s. Moser Baer India Ltd., E-mail, dt. 14.1.09
5. From the CEO, Fab city SPV (I) Pvt. Ltd., Lr.No.4275/PM(IPU)/APIIC/2007, dt. 23.1.09
6. From the CEO, Fab city SPV (I) Pvt. Ltd., Lr.No.4275/PM(IPU)/APIIC/2007, dt.24.3.09.
7. From the CEO, Fab city SPV (I) Pvt. Ltd., Lr.No.4275/PM(IPU)/APIIC/2007, dt. 8.5.09.
8. From the Sr.Vice President (Commercial), M/s. Moser Baer India Ltd., E-mail, dt. 27.5.09
9. From the CEO, Fab city SPV (I) Pvt. Ltd., Lr.No.4275/PM(IPU)/APIIC/ 2007, dt. 4.6.09.
10. From the CEO, Fab city SPV (I) Pvt. Ltd., Lr.No.4275/PM(IPU) /APIIC/2007, dt.15.9.09
11. From the CEO, Fab city SPV (I) Pvt. Ltd., Lr.No.4275/PM(IPU)/APIIC/ 2007,dt.7.11.09
12. From the VC&MD, APIIC, Lr.No.4275/PMU(IPU)/APIIC,09, dt. 5.2.2010.
13. From the Sr.Vice President (Commercial), M/s. Moser Baer India Ltd., E-mail, dt. 2.3.2010.
14. From the VC&MD, APIIC, Lr.No.4275/PMU(IPU)/APIIC,09, dt. 25.03.10.
15. Govt. Lr.No. 11819/INF/A1/2007, dated: 27.4.2010.
16. From the Sr.Vice President (Commercial), M/s. Moser Baer India Ltd., E-mail, dt. 5.5.2010.
17. From the VC&MD, APIIC, Lr.No.4275/PMU(IPU)/APIIC,09, dt. 20.6.2010.
18. Govt. Lr.No. 11819/INF/A1/2007, dated: 14.7.2010.
19. A.P.I.I.C.Lr.No. 4275/PM (IPU)/APIIC/2007, dated:28.1.2011.

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ORDER:

The Government of Andhra Pradesh have entered into a MoU with M/s. Moser Baer Infrastructures Developers Ltd., New Delhi on 16.4.2008 for setting up Crystalline based solar cells, thin film solar cells etc., in the Fab City SEZ at Raviryal village, Maheswaram Mandal, Ranga Reddy District for manufacturing the products covered under Semiconductor policy of Government of India., Under Phase-I, Solid State Memory Devices like USB drives, flash cards etc., with an initial investment of US\$ 200 million within 24 months Under Phase-II Semiconductor Optical Storage Media, Photovoltaic's, thin films technology, Nano technology etc., with an additional investment of US\$ 300 million within 36 months and the company has to provide direct and indirect employment of 2000 persons approximately.

P.T.O.

2. In terms of the MoU that Moser Baer Infrastructure Developers Limited, shall participate in the Fab city SPV at a mutually agreed share holding and shall be accorded Co-developer status to enable the Moser Baer to do all the activities allowed to be performed in the processing and non processing areas of Fab city under SEZ rules.

3. The Government of Andhra Pradesh have issued orders in G.O.Ms.No.336, Industries & Commerce (INF) Department, dt. 23.12.2008 extending certain incentives/concessions and allotment of land through the Andhra Pradesh Industrial Infrastructure Corporation, to M/s. Moser Baer Energy Limited.

4. The Andhra Pradesh Industrial Infrastructure Corporation in their letter, 3rd read above, has requested the Moser Baer company to file application with process fee EMD being 10% of lease premium and with an indication for payment of balance 90% of lease premium within 90 days before taking possession of land.

5. M/s. Moser Baer Energy Limited, in their letter 4th read above, has requested the Andhra Pradesh Industrial Infrastructure Corporation to amend the schedule of payments for 10% of lease premium and balance 90% of lease premium in 4 installments. As there is no provision in the MoU or in the G.O. issued by the Government, the APIIC, in the reference 5th read above, has suggested the Moser Baer to pay 50% of lease premium before taking possession and to pay the balance 50% in 5 equated annual installments. Subsequently, the APIIC has agreed the schedule of payments of lease premium for 100 acres of land amount to Rs.15.00 crores and communicated the same to the company through their letter 6th read above.

6. The Andhra Pradesh Industrial Infrastructure Corporation has informed Government that, the Moser Baer Energy Limited, through their letter, dt. 27.3.09, has requested the APIIC to grant time till the end of December, 2009 to pay the EMD of Rs.1.5 crores against the lease premium for the land, explaining the reasons of the economic recession. The Andhra Pradesh Industrial Infrastructure Corporation has further informed that the Corporation has addressed the Moser Baer company several times to file an application in the prescribed proforma, to furnish copies of Incorporation certificate, Memorandum of Articles of Association together with payment of processing fee of Rs. 10,000 and EMD of Rs.1.5 crores. The Moser Baer Energy Ltd., has not filed any application to the APIIC, and not paid the EMD and process fee even after a period of 1 ½ years is over from the date of MoU and the orders issued by Government. The Moser Baer Company has not even come up with a concrete proposal.

7. The Moser Baer Company in their E-mail, dt. 3.3.2010 has informed the APIIC that due to recession, PV business was severely hit and it will take few years for the Indian PV industry to achieve a reasonable high growth rate and in view of the same the Moser Baer company plans to first expand their current manufacturing facilities in Greater Noida and in the 2nd stage at Oragadem in Tamilnadu and requested for another 2 years time i.e., till mid 2012 to get their business back to growth and then take possession of the land at the Fab city, Hyderabad.

8. As the company is not willing to take up the project even after a lapse of more than two years and requesting for extension of time upto 2012, the Andhra Pradesh Industrial Infrastructure Corporation has requested the Government to issue orders withdrawing the MoU, dt. 16.4.08 and cancelling the G.O., issued by Government in G.O.Ms.No.336, Industries & Commerce (INF) Department, dt. 23.12.08 and to communicate orders to the Andhra Pradesh Industrial Infrastructure Corporation (APIIC) for taking further necessary action in the matter.

9. The Government, in the letter dated: 27.4.2010 have issued a show cause notice to M/s. Moser Baer company, to show cause as to why the Government should not withdraw the MoU, dated: 16.4.2008 and cancel the orders issued by Government in G.O.Ms.No. 336, Industries & Commerce (INF) Department, dated: 23.12.2008 for their non-compliance on the implementation of the project.

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10. M/s. Moserbaer company in their letter, dated: 5.5.2010, has stated that their Solar PV business was hit very hard during the recession and therefore their plans were put on hold and they have lost more than 18 months during this crisis. The company is making all efforts to achieve growth rate, however it will take a reasonable time and requested Government to extend the time limit for two more years i.e mid 2012 to get the business back growth and then take possession of land at Fab city, Hyderabad. The Company has also requested to modify the obligations of Moserbaer in the MoU as well as in the Government order for their investments in Phase-I and II, be extended by another two years i.e Phase I of 200 Million dollars with in 4 years of signing the MoU and Phase II of additional 300 Million Dollars within 7 years of signing of MoU.

11. The Government have issued a letter to M/s. Moser Baer company on 14.7.2010, informing that the request of the company would not be possible to consider unless they pay the amounts and submit its specific business plans to the APIIC and requested to come up with a fresh request to Government. The Andhra Pradesh Industrial Infrastructure Corporation, through their letter. dt: 28.1.2011, has withdrawn the 100 acres land allotment made in favour of M/s. Moser Baer Energy Limited.

12. The Government after careful examination of the matter hereby issues orders cancelling the MoU executed with the company on 16.4.2008 and also the orders issued in G.O.Ms.No. 336, Industries & Commerce (INF) Department, dated: 23.12.2008, since the company is not willing to take up the project in the agreed terms and failed in implementation of the project within the stipulated time.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SAM BOB,
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
M/s. Moser Baer Energy Limited,
43-B, Okhla Industrial Estate, Phase-III,
New Delhi – 110 030.
The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited, Hyderabad.
Copy to: Commissioner of Industries, Hyderabad
Energy Department/I&CAD Department
Finance (Exp.I&C) Department
Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Minister (Major Industries)
P.S. to Principal Secretary to Government & CIP.
SF/SC.

// Forwarded:: By:: Order //

SECTION OFFICER